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**UTILITIES COMMISSION**

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Chas. F. McDevitt  
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July 9, 2007

***VIA ELECTRONIC MAIL***

Jean Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
Boise, Idaho 83720

Re: Case No. UWI-W-07-01; Order No. 30345

Dear Ms. Jewell:

Pursuant to RP 133, I am transmitting for review and approval, in clean and legislative format, amendments to United Water's Tariff Sheet No. 23 and No. 24, dealing with Special Facilities.

Order No. 30345 required the Company to amend its Tariffs to make clear that transmission facilities to serve new development are to be contributed by the developer without refund. (Pg. 10).

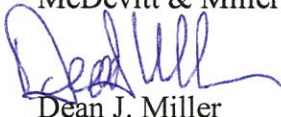
The proposed addition to Paragraph 74 accomplishes that result.

Order No. 30345 also required the Company to file all future Special Facilities Agreements to the Commission for approval (Pg. 10). The proposed amendment to Rule 75 accomplishes that result. Previously, the Company understood this Rule to mean that informal review by Staff was acceptable. The amendment makes it clear that future SFA's will be formally filed for approval.

If, after review, the proposed changes are found to be in conformance with Order No. 30345, kindly return copies with your "Approved" stamp thereon.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh  
Enclosures

**UNITED WATER IDAHO INC.**

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**RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)**

specifications, and estimates, the Applicant shall reimburse the Company an amount equal to Company's expenses.

73. The deposit referred to in paragraph 71 above, shall normally be a cash deposit. In this instance, the Company shall provide the material and labor for installation of the project.

However, the Applicant may provide the material and/or contract labor for the installation of the necessary facilities. In this instance, the Applicant shall deposit with the Company an amount equal to the estimated cost of applicable overheads for the entire project and the estimated direct labor costs incurred by the Company for such items as engineering design, estimating, and inspection. Also, the Applicant shall furnish the Company a certified invoice of sufficient detail to show the separate costs of material and labor for water mains and appurtenances by size, service laterals by size, meter boxes, meter settings and fire hydrants. The Company shall specify the material to be supplied by the Applicant with respect to size and type. In general, the material shall conform to the Company's standard material specifications and applicable AWWA specifications. The Company shall, at Applicant's expense, make all connections to the Company's existing system if in the Company's opinion the contractor does not have the experience or equipment to make such connection. Applicant's contractor shall comply with Section 1 and Section 2 of Company's *Requirements for Labor in Lieu of Cash Contractors*. In general, areas covered are requirements for inspection, monitoring of construction, acceptance and handling of materials, documentation of costs, correction of faulty installation, insurance, bonding, license requirements, experience, and equipment availability. The Company may deny the right of Applicant to provide a contractor who has not complied with its requirements in the past.

**SPECIAL FACILITIES**

74. Special facilities shall include source of supply, storage and booster pumping facilities which may be required to render adequate water service to an area for which such service has been requested. Special facilities do not include transmission or distribution line facilities.

75. Should an Applicant propose a Residential, Commercial, Industrial, or Municipal Development requiring a special facility or special facilities, the Applicant shall advance the cost of such facility or facilities. Normally, the advance shall be a cash advance. In this instance, the Company shall provide the material and labor for the installation of the facilities.

However, the Applicant may, with the Company's approval, provide the material and/or contract labor for the installation of the special facility or facilities. In the instance where an Applicant provides the material and/or contract labor, the Applicant shall deposit with the

**UNITED WATER IDAHO INC.**

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**RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)**

Company an amount equal to the estimated cost of applicable overheads for the entire project plus the estimated direct labor costs for such items as engineering design, estimating, and inspection.

An amount equal to the estimated cost of the necessary facilities shall be deposited with the Company prior to construction. The Company shall adjust the deposit based upon the determination of the actual cost of facilities installed. Any difference between the estimated and actual cost of the facilities installed shall be shown as a revision of the amount deposited and shall be payable within thirty (30) days of submission.

The cost of the special facilities advanced, or a portion thereof, shall be refunded based upon customer connections and in accordance with the following equation:  $X = [(R-E-D-T)/Y] - (S+M)$ , where:

X = Refund per Customer

R = Annual Revenues per Customer (actual revenue received from each customer served from the special facility)

E = Annual Operating and Maintenance Expense per Customer (including Ad Valorem Tax)

D = Annual Depreciation Expense per Customer (Depreciation rate(s) for type(s) of facility installed x investment in that type of facility installed)

Y = Authorized Rate of Return

T = Income Taxes on Net Income per Customer

S = Imbedded investment in Source and Storage plant, less accumulated depreciation and customer advances and contributions against the plant. (Value of plant allocable to support consumption per customer level that produces the annual revenue per customer)

M = Meter Cost Installed

Should the Company agree that the cost of any portion of the special facilities (source, storage, or pumping) not be advanced by the Applicant, the per customer refund shall be reduced by the per customer cost of that facility not advanced. The advance and refund agreement for each development shall be evaluated on a case by case basis and filed with the Idaho Public Utilities Commission for review and approval.

76. The Company shall be responsible to construct and/or install special facilities as may be required from time to time to maintain the rendering of adequate water service to existing customers.

77. The Company shall be the sole judge as to the design of and the time of construction and/or installation of any special facility(ies).